



Palm Oil Innovation Group Charter for Traders & Processors

Introduction

The Palm Oil Innovation Group (POIG) is a multi-stakeholder initiative that strives to achieve the adoption of responsible palm oil production and procurement practices by key players in the supply chain through developing and sharing a credible and verifiable benchmark that builds upon the Roundtable on Sustainable Palm Oil (RSPO), and creating and promoting innovations. Founded in 2013, the initiative was developed in partnership with leading NGOs as well as with progressive palm oil producers.

POIG aims to support the RSPO through building on RSPO standards and commitments by both demonstrating innovation to implement RSPO existing standards as well as with additional critical issues. With a focus on the three thematic areas of environmental responsibility, partnerships with communities including workers' rights, and corporate and product integrity, POIG members will strengthen their commitments and actions on socially and environmentally responsible palm oil production and procurement.

POIG focuses on leveraging the experience of its members to create innovations in the palm oil industry and act as an advocate for these innovations. POIG will demonstrate that by setting and implementing ambitious standards, the industry can break the link between palm oil production and the destruction of forests and peatlands, the exploitation of communities and workers, and climate change.

As traders and processors, we have come together to help find solutions to the challenges the palm oil industry is facing. Our companies process and trade physical palm oil and palm oil products and therefore we see it as our responsibility to contribute to the transformation of the way palm oil is produced. Therefore, we wish to contribute to the goals and initiatives led by the Palm Oil Innovation Group, and with this Charter we outline our commitment to the production of responsible palm oil through implementing the following actions:

Responsible palm oil production

Traders and processors shall comply fully with POIG grower indicators across all of their own concessions and obtain independent verification of compliance.

Responsible procurement policy and roadmap

Traders and processors will develop a transparent and innovative procurement strategy to steadily increase their volume of POIG verified palm oil and palm oil products by encouraging suppliers to verify their operations against POIG grower indicators.



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Traders and processors will develop risk assessment tools to decrease the volumes purchased from suppliers linked to deforestation, human rights abuses and other unacceptable activities.

Traders and processors will develop a time bound plan for achieving 100% of their traded and processed palm oil and palm oil products, to be verified against POIG requirements.

Supply Chain Engagement

Traders and processors shall communicate their responsible palm oil procurement policy and roadmap to their customers and suppliers, and work with them to find solutions and set out expectations of compliance.

Traders and processors shall promote verification against POIG grower indicators as their preferred solution for demonstrating compliance across suppliers' entire operations.

Traders and processors shall proactively monitor their suppliers for compliance with their responsible palm oil procurement policy and take appropriate action to deal with non-compliance, including initiating grievance mechanisms, and where legally possible discontinue trade with suppliers found to be unwilling to take remedial action.

Transparency and Information Exchange

Traders and processors shall publish through their own websites a list of all mills, refineries and plantations in their supply chain, and require the same of their suppliers. This list should be updated on a six-month basis and include the name, location and type(s) of product purchased, as well as the volume of oil that is processed in their operations on behalf of third parties.

Traders and processors shall commission and publish annual independent audits of progress towards implementation. This should include transparent traceability reports for downstream verification purposes, including location of suppliers and percentage of RSPO segregated and POIG verified volumes and any identified bottlenecks to responsible palm oil sourcing.

Traders and processors shall establish grievance mechanisms and publish and maintain a grievance tracker on their websites, including a comprehensive list of all grievances subject to grievance protocols, with the date, cause and nature, complainant name or category, step taken, status and outcome.

Communication

All claims made by members about procurement of POIG verified oil or products must be backed by independent third-party verification.



All members shall promote responsible palm oil, making specific reference to the POIG Charter and clearly communicate the rationale against a palm oil boycott.

All members shall promote positive case studies and showcase innovations in procurement and production of responsible palm oil.

Advocacy

All members shall advocate the integration of POIG grower indicators into the Principles & Criteria of the Roundtable on Sustainable Palm Oil (RSPO).

All members shall advocate for reforms and improvements of RSPO audit procedures, quality control and for complete and comprehensive reporting in Annual Communication of Progress (ACOP) reports.

All members shall advocate the phase-out of the RSPO's Credit System with the exception made for smallholder-specific supply chains.